REMARKS

To further prosecution of the instant application, Applicant amends herein Claims 1 and 5-6 and cancels herein Claims 7-20 without prejudice to the subject matter specified therein. Applicant respectfully submits that the amendments to Claims 1 and 5-6 do not add subject matter and have antecedent basis.

In addition, Applicant adds herein to the instant application Claims 21-34. Claims 21-34 do not add subject matter and have antecedent basis.

Claims 1-6 and 21-34 are currently pending in the instant application with Claims 1, 21, 28, 30 and 31 being in independent form.

Applicant respectfully requests reconsideration.

Double Patenting Pursuant 35 U.S.C. § 101

The Examiner has rejected provisionally Claims 1-20 of the instant application under 35 U.S.C. § 101 as claiming the same invention as that of Claims 1-20 of Applicant's copending Application Serial No. 11/013,658. Applicant has amended herein Claims 1 and 5-6, cancelled herein Claims 7-20, and added herein new Claims 21-34.

Applicant respectfully submits that Claims 1-6 and new Claims 21-34 demarcate the claimed inventions of the instant application from those inventions specified in Claims 1-20 of copending Application Serial No. 11/013,658. Claims 1-6 are directed to a method of insuring military reserve component personnel for reduction of income due to active military duty, while Claims 1-6 in copending Application Serial No 11/013,658 are directed to a method of insuring military draftees against reduction in personal earnings due to military duty. Applicant submits the methods of insuring are different. The method of the instant application is directed to voluntary military reserve component personnel who voluntarily perform military service on a part-time basis, but have been ordered to serve on active duty for a period of time that exceeds their customary 2 weeks of summer duty. In contrast, the method of the copending Application Serial No. 11/013,658 is directed to involuntary military draftees who have no prior military service obligation and who involuntarily perform military service for a known period of time.

In addition, Claim 1 of the instant application is directed to the amounts of payments being based upon civilian income of the reservist and desired compensatory income to be

paid during at least times of active military duty of the reservist, which provides for the amounts of payments being based upon the desired compensatory income to be paid during off active military duty of the reservist, e.g., during training periods, as well as during a period of active military duty. In contrast, Claim 1 of Application Serial No. 11/013,658 is directed to the amounts of payments being based upon civilian income of the draftee and desired compensatory income during times of active military duty, which provides no provision for basing payments upon desired compensatory income during off active military duty of the draftee.

Applicant therefore respectfully submits at least the scope of the claims of the two copending applications are different and requests the Examiner withdraw the provisional refusal of Claims 1-6 under § 101.

Rejection of Claims 1-20 Pursuant 35 U.S.C. §112

The Examiner has rejected Claims 1-20 under 35 U.S.C. § 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention.

The Examiner rejected independent Claims 1, 7, 14, 16 and 18 under § 112, second paragraph, because the Examiner is unclear whether the steps of "collecting payments" and "providing compensatory income" are claimed as novel features or as an insurance policy or provisions within a policy. Claims 1, 7, 14, 16 and 18 are also rejected under § 112, second paragraph, because the Examiner indicates that it is unclear whether the reservist or the reservist's dependents or the employer are requesting compensation.

Applicant has amended herein Claim 1, and has cancelled herein Claims 7, 14, 16 and 18 that are directed to an insurance policy.

Applicant submits that amended Claim 1 is definite pursuant § 112, second paragraph. Applicant respectfully requests withdrawal of the rejection of Claim 1.

The Examiner rejected Claim 5 under § 112, second paragraph, because the term "the first time period" as specified in Claim 5 lacks antecedent basis. Applicant respectfully disagrees and submits that Claim 5 depends directly from Claim 1 and Claim 1 provides antecedent basis for the term "the first time period." Claim 1 recites *providing the desired compensatory income for the reservist during at least a portion of a first time period of active*

military duty ... To clarify the invention of Claim 5, Applicant has amended herein Claim 5 to recite *the first time period of active military duty of the reservist.* Applicant submits Claim 5 is definite pursuant § 112, second paragraph, and requests withdrawal of the refusal.

The Examiner rejected Claim 6 under § 112, second paragraph, as being vague and indefinite. Applicant has amended herein Claim 6 to clarify the recited limitation. Applicant submits that amended Claim 6 is definite pursuant § 112, second paragraph, and requests withdraw of the refusal.

The Examiner rejected Claim 12 under § 112, second paragraph, because the term "return condition" is vague and indefinite. Applicant has cancelled herein Claim 12; therefore, the refusal is moot.

The Examiner rejected dependent Claims 2-3, 8-11, 13, 15, 17 and 19-20 under § 112, second paragraph, due to their dependencies on Claims 1, 7, 14, 16 and 18. Applicant has cancelled herein Claims 7-20; therefore, the rejections of Claims 8-11, 13, 15, 17, and 19-20 are moot. Applicant submits that Claims 2-3 depend from amended Claim 1 and therefore are definite pursuant § 112, second paragraph. Applicant requests withdrawal of the rejection of Claims 2-3.

Rejection of Claims 1-20 Pursuant 35 U.S.C. § 101

The Examiner has rejected Claims 1-20 pursuant 35 U.S.C. § 101 as being directed toward non-statutory subject matter. Applicant has cancelled herein Claims 7-20 directed to an insurance policy; therefore, the rejections of Claims 7-20 pursuant § 101 are moot.

With respect to Claims 1-6, Applicant respectfully disagrees with the Examiner's conclusion that Claims 1-6 are directed toward non-statutory subject matter. Claim 1 is directed to a method of insuring military reserve component personnel for reduction of income due to active military duty that is a new and useful process, as defined within § 101. In addition, Applicant submits that the claimed method produces a useful, concrete and tangible result, namely, providing the desired compensatory income for the reservist, at least partially compensating for a reduction in the reservist's income during at least a portion of a period of active military duty of the reservist.

The Examiner cites in the Office Action the *State Street Bank* decision that involved subject matter directed to the problems of administering a group of mutual funds. *State*

Street Bank & Trust Co. v. Signature Financial Group, Inc., 149 F.3d 1368,1373 (Fed.Cir. 1998). The patent at issue in *State Street* included a method claim (claim 1) that produces a useful, concrete and tangible result. *State Street* confirmed that even if a useful, concrete and tangible result is expressed in numbers, such as price, profit, percentage, cost, or loss, such a result renders the claimed method statutory subject matter. Applicant respectfully submits that the invention of Claims 1-6 directed to a method of insurance military reserve component personnel for reduction of income due to active military duty produces a useful, concrete and tangible result, namely, providing compensatory income for a reservist due to active military duty, and therefore is eligible subject matter.

In addition to the *State Street Bank* decision, MPEP 706.03(a) gives examples of subject matter that are not patentable under 35 U.S.C. § 101, including printed matter, a naturally occurring article, and a scientific principle. Claims 1-6 are not directed to any of these subjects and therefore recite a patentable method or process.

Applicant therefore respectfully requests withdrawal of the rejection of Claims 1-6 under § 101.

Rejection of Claims 1-20 Pursuant 35 U.S.C. § 102(b)

The Examiner rejected Claims 1-20 pursuant 35 U.S.C. § 102(b) as being anticipated by Non-Patent Literature of Barrett, Master Sgt. Stephen, "DoD Reserve Chief Recommends Suspending Mobilization Insurance," May 15, 1997 ("NPL1"). Applicant has cancelled herein Claims 7-20. With respect to Claims 1-6, Applicant respectfully traverses the rejection for the reasons given below.

As the Examiner knows, a claim is anticipated under § 102(b) only if "all of the elements and limitations of the claim are found within a single prior art reference." *Scripps Clinic & Research Found. v. Genentech, Inc.* 927 F.2d 1565, 1576 (Fed. Cir. 1991). The Federal Circuit recently held that, ". . . disclosure of each element is not quite enough - this court has long held that '[a]nticipation requires the presence in a single prior art disclosure of all elements of a claimed invention *arranged as in the claim*." *Finisar Corp. v. The DirecTV Group, Inc.*, _F.3d __, Nos. 2007-1023, 1024, WL 1757675 at 10 (Fed.Cir. April 18, 2008)(quoting *Connell v. Sears, Roebuck & Co.*, 722 F.2d 1542, 1548 (Fed.Cir. 1983)(emphasis in original).

Applicant respectfully submits that NPL1 does not anticipate amended Claim 1 pursuant § 102(b) because NPL1 does not disclose, teach, or suggest each and every element of the method of Claim 1.

In the Office Action, the Examiner alleges that NPL1 discloses the limitations directed to "collecting payments . . ." and "providing the desired compensatory income . . .". Applicant respectfully disagrees because NPL1 does not disclose, teach, or suggest at least the limitation to *collecting payments on behalf of a reservist, amounts of the payments being based upon civilian income of the reservist and desired compensatory income to be paid during at least times of active military duty of the reservist*, as specified in Claim 1.

Rather, in contrast to the method of Claim 1, NPL1 discloses a program the DoD had provided to reservists that was "not a dollar-for-dollar replacement of lost civilian income," but was designed "to help close the gap between civilian and military pay" with benefit payments that "could last for up to one year, or a maximum of 12 months for any 18-month period." (NPL1, p. 2, para. 7). The DoD program offered reservists the four options of: (1) monthly coverage of $1000 (basic level) for a specific premium rate; (2) increasing monthly coverage at $500 increments up to $5000 for a specific premium rate; (3) decreasing monthly coverage for a reduction in a specific premium rate; or (4) declining coverage. (NPL1, p. 2, para. 3). Applicant respectfully submits that the DoD program that NPL1 discloses does not disclose, teach, or suggest that amounts of the payments, or, as disclosed in NPL1, premiums, are based upon the civilian income of the reservist and the desired compensatory income to be paid during at least times of active military duty. While NPL1 discloses the program is designed to help close the gap between civilian and military pay, NPL1 does not disclose, teach, or suggest that the amount of payments, or premiums, are based upon the reservist's civilian income and the desired compensatory income. The DoD program that NPL1 discloses would prescribe, for example, that a reservist with a civilian income of $500,000 would pay the same premium rate for the same monthly benefit of up to $5000 as a reservist with a civilian income of $50,000. In other words, the DoD program does not determine premium payments, or, as recited in Claim 1, amounts of the payments, are based upon the reservist's civilian income and the desired compensatory income to be paid during at least times of active military duty of the reservist. Rather, the DoD program that NPL1 discloses provides three options for specific monthly benefits at specific premium rates. Applicant

therefore respectfully submits that NPL1 does not disclose, teach, or suggest this limitation of Claim 1.

In addition, Applicant respectfully submits that NPL1 does not disclose, teach, or suggest at least the limitation to *providing the desired compensatory income for the reservist during at least a portion of a first time period of active military duty of the reservist, at least partially compensating for reduction of the reservist's income, in response to receiving a request for compensatory income on behalf of the reservist*.

NPL1 discloses that for a reservist to collect benefits the reservist's deployment orders must specify that the reservist's "duty is in support of war, national emergency, or to augment active forces for a contingency operation." (NPL1, p. 2, para. 8). In addition, NPL1 discloses that the program suffered financial loss because of adverse selection whereby "too many people who knew they were getting called up bought the insurance. (NPL1, p. 1, para. 7). In the Office Action, the Examiner relies upon these NPL1 disclosures that reservists may collect benefits only if deployment orders specify active duty and benefit payments for reservists on active duty are made for a year or up to 12 months for an 18-month period, as well as the NPL1 disclosures discussed above, to conclude that this limitation of Claim 1 is anticipated. (See Office Action, p. 5). However, Applicant submits that these disclosures of NPL1 do not disclose, teach, or suggest at least the noted limitation of Claim 1. While NPL1 discloses that benefit payments are made to reservists on active duty, NPL1 does not disclose, teach, or suggest at least *providing the desired compensatory income . . . in response to receiving a request for compensatory income on behalf of the reservist*. Applicant therefore respectfully submits that NPL1 does not disclose, teach, or suggest this limitation of Claim 1.

Thus, Applicant respectfully submits that NPL1 does not disclose, teach, or suggest each and every element of Claim 1 pursuant to § 102(b). Claim 1 therefore is patentable over NPL1 and Applicant respectfully requests withdrawal of the rejection.

Claims 2-6 depend from Claim 1 and are patentable for at least the reasons given above.

Rejection of Claims 2-3 and 8-9 Pursuant 35 U.S.C. § 103(a)

Claims 2-3 and 8-9 are rejected pursuant 35 U.S.C. § 103(a) as being unpatentable over NPL1 in view of U.S. Publication No. 2002/0120474 A1 filed on behalf of Hele et al. ("Hele"). Applicant has cancelled herein Claims 8-9. Applicant respectfully traverses the rejection of Claims 2-3 and submits that Claims 2-3 are not obvious in view of the cited combination of NPL1 and Hele for the reasons given below.

According to 35 U.S.C. § 103(a), a patent is obvious only if it is established that the differences between the patent claim and the prior art "are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art." The test for obviousness was set forth by the Supreme Court in *Graham v. John Deere*, 383 U.S. 1 (1966) including several inquiries of: (1) the scope and content of the prior art; (2) the differences between the prior art and the claims; (3) the level of ordinary skill in the art at the time of the invention, and (4) secondary considerations or objective indicia of nonobviousness. *KSR Int'l Co. v. Teleflex, Inc.*, 127 S.Ct. 1727, 1729-30 (2007). The Court in its *KSR* ruling confirmed, "a patent composed of several elements is not proved obvious merely by demonstrating that each of its elements was, independently, known in the art." *Id* at 1741-42. In addition, the Court concluded that while the "teaching-motivation-suggestion" test or the "TSM test" must not be applied rigidly, it is "important to identify a reason that would have prompted a person of ordinary legal skill in the art to combine the elements as the new invention does." *Id* at 1742. The Federal Circuit recently explained that the TSM test remains "the primary guarantor" against a hindsight analysis and assures that the obviousness test proceeds on evidence. *Ortho-McNeil Pharm.*, 2008 WL 834402 (Fed.Cir. March 31, 2008).

Applicant respectfully submits that the cited combination of prior art references does not render Claims 2-3 obvious because the combination of references does not disclose, teach, or suggest the limitations specified in Claim 1 from which Claims 2-3 depend.

Applicant submits that Claims 2-3 are not obvious in view of NPL1 and Hele because the cited combination does not disclose, teach, or suggest at least the limitation to *collecting payments on behalf of a reservist, amounts of the payments being based upon civilian income of the reservist and desired compensatory income to be paid during at least times of active military duty of the reservist*, as specified in Claim 1.

As discussed above, NPL1 discloses a program the DoD provided to reservists to help

to close the gap between civilian and military pay that offered a basic level of $1000 of monthly coverage at a specific premium rate, an increased monthly coverage of up to $5000 at a specific premium rate, or a reduced monthly coverage below $1000 for a specific premium rate. However, NPL1 does not disclose, teach, or suggest that the amount of the payments, or, as discussed in NPL1, the premium rates, are based upon the civilian income of the reservist and the desired compensatory income to be paid during at least times of active military duty of the reservist.

In the Office Action, the Examiner relies upon Hele to provide a disclosure, teaching or suggestion of the limitations of Claims 2-3; however, Hele does not solve the deficiencies of NPL1 with respect to Claim 1, as discussed above. More particularly, Hele in combination with NPL1 does not disclose, teach, or suggest at least the limitation of Claim 1 noted above and therefore does not disclose, teach, or suggest Claims 2-3. In addition, the Examiner has not sufficiently articulated in the Action why or how a person having ordinary skill in the art would modify the cited prior art references to arrive at the invention of Claims 1 and 2-3 absent a review of the instant application.

Applicant therefore submits that the cited combination of NPL1 and Hele does not disclose, teach, or suggest Claims 2-3 and requests withdrawal of the rejection.

Rejection of Claims 4-5, 10-11 and 12-13 Pursuant 35 U.S.C. § 103(a)

Claims 4-5, 10-11 and 12-13 are rejected pursuant 35 U.S.C. § 103(a) as being unpatentable over NPL1 in view of Non-Patent Literature entitled "Summary of Major Changes to Chapter 55 DOD 7000.14-R," *Military Pay Policy and Procedures Active Duty and Reserve Pay*, Vol. 7A, Chap. 55, February 2000 ("NPL4"). Applicant has cancelled herein Claims 10-11 and 12-13. Applicant respectfully traverses the rejection of Claims 4-5 and submits that Claims 4-5 are not obvious in view of the cited combination of NPL1 and NPL4 for the reasons given below.

Applicant respectfully submits that the cited combination of prior art references does not render Claims 4-5 obvious because the combination of references does not disclose, teach, or suggest the limitations specified in Claim 1 from which Claims 4-5 depend.

Applicant submits that Claims 4-5 are not obvious in view of NPL1 and NPL4 because the cited combination does not disclose, teach, or suggest at least the limitation to

collecting payments on behalf of a reservist, amounts of the payments being based upon civilian income of the reservist and desired compensatory income to be paid during at least times of active military duty of the reservist, as specified in Claim 1.

In contrast to Claims 4 and 5, NPL4 discloses policy and procedures for active duty and reserve pay that outlines a ready reserve mobilization insurance program for active duty reserve military personnel, including National Guard and Reserve Corps., for a period of active duty of more than 30 days. (NPL4, p. 2 or 55-1, Items A, B and D). An insured member is entitled to payment of a monthly benefit after 30 days of active duty service, wherein the member's active duty orders must specify the member's service is active duty and the member receives the monthly benefit for not more than 12 months of a period of 18 consecutive months. (NPL4, p. 3 or 55-2, Items A and B). The member pays premiums in advance of the period for which the member is to be insured, e.g., active duty after 30 days of active duty. (NPL4, p. 5 or 55-4, Items B and C). A member is insured automatically. A member who declines the coverage or who fails to complete the enrollment process during the 60-day enrollment period does not incur any liability for premium payments. If the Military Service has made an advance premium payment on behalf of the member, the Military Service will incur no liability for unearned premium payments and is allowed to recover the advanced payment through an accounting adjustment. (NPL4, p. 5 or 55-4, Item F). A member called to active duty, and who commences active duty before the enrollment process is completed, is insured automatically for the basic monthly benefit of $1000. (NPL4, p. 5 or 5504, Item G and H). Coverage is terminated if the member fails to make premium payments for two consecutive months. (NPL4, p. 6 or 55-5). The program was terminated for new enrollment after November 18, 1997, coverage for any insured member on active duty is terminated on the date of termination of active duty of that member, and benefit payments are discontinued after November 18, 1997 other than to an insured member is engaged in active duty as of this date. (NPL4, p. 6 or 55-5, Section. 550107, Items A-C).

Applicant respectfully submits that the teachings of NPL4 when combined with NPL1 do not disclose, teach or suggest at least the noted limitation of Claim 1 and therefore do not disclose, teach, or suggest dependent Claims 4-5. Applicant therefore requests withdrawal of the rejection of Claims 4-5.

Rejection of Claim 6 Pursuant 35 U.S.C. § 103(a)

Claim 6 is rejected pursuant 35 U.S.C. § 103(a) as being unpatentable over NPL1 in view of Non-Patent Literature entitled "Businesses Hurt by Reservist Call-Ups May Apply for SBA Economic Injury Disaster Loans," *U.S. Newswire*, Washington, August 23, 2001, p. 1 (NPL6). Applicant respectfully traverses the rejection of Claim 6 and submits that Claim 6 is not obvious in view of the cited combination of NPL1 and NPL6 for the reasons given below.

Claim 6 depends from Claim 1 and is directed to the compensatory income including *a desired replacement income paid or to be paid to at least one of a person and a business to replace the reservist at the reservist's civilian occupation while the reservist is on active military duty, and wherein the payment amounts further depend upon the desired replacement income.* The invention of Claim 6 therefore is directed to providing the desired compensatory income with the compensatory income including a replacement income that is paid or to be paid to a person and/or a business to replace the covered reservist at the reservist's civilian occupation. The amounts of payments (for such compensatory income including replacement income) are based upon a civilian income of the reservist, the desired compensatory income and the desired replacement income, as specified in Claims 1 and 6.

In contrast, NPL6 discloses an SBA program for providing businesses with low interest loans, which does not disclose, teach or suggest the limitations of collecting payments and providing the desired compensatory income wherein the compensatory income is based upon the civilian income, the desired compensatory income and the desired replacement income. While NPL6 discloses loans for such a business impact that are provided at low interest, NPL6 does not disclose, teach, or suggest that the amount of payments collected is based upon the reservist's civilian income, the desired compensatory income and the desired replacement income. Rather, the SBA program provides loans at interest rates that are likely to reflect current market interest rates. Therefore, the cited combination of NPL1 and NPL6 does not disclose, teach or suggest the limitations of Claims 1 and 6. In addition, the Examiner has not articulated in the Action why or how a person having ordinary skill in the art would modify the cited prior art references to arrive at the invention of Claims 1 and 6 without the benefit of hindsight and Applicant's application.

Rejection of Claims 15, 17, 19 and 20 Pursuant 35 U.S.C. § 103(a)

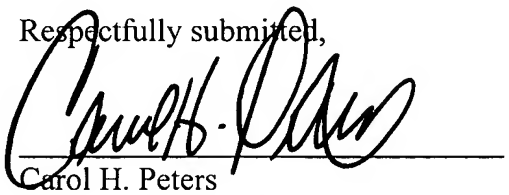
Claims 15, 17, 19 and 20 are rejected pursuant 35 U.S.C. § 103(a) as being unpatentable over NPL1 in view of Non-Patent Literature entitled "Unsnarling a Reserve Insurance Snafu, May 8, 1997. (NPL2). Applicant has cancelled herein claims 15, 17, 19 and 20; therefore, the rejections of these claims are moot.

Patentability of New Claims 21-34

New Claims 21-34, with Claims 21, 28, 30 and 32 being in independent form, are patentable in view of the prior art references the Examiner cites in the Action. Claim 21 is patentable in view of the prior art references for at least the reasons given above with respect to Claim 1. Claim 28 is patentable in view of the cited prior art references because the prior art references, neither alone nor in any combination, disclose, teach or suggest at least the limitation to providing at least a portion of the compensatory income during a second period of time when a reservist is off active military duty followed by a period of active military duty, as specified in Claim 28. Claim 30 is patentable in view of the cited prior art references because the prior art references, neither alone nor in any combination, disclose, teach or suggest at least the limitation to the amount of payments based upon the desired compensatory income and the desired replacement income paid to a person and/or a business to replace the reservist in his/her civilian occupation, as specified in Claim 30. Claim 32 is patentable in view of the cited prior art references because the prior art references, neither alone nor in any combination, disclose, teach or suggest at least the limitation to collecting payments based upon desired compensatory income that is based upon expected financial impact on a business due to the absences of one or more reservists from the business during at least time of active military duty of the reservists, as specified in Claim 32.

Based upon the foregoing amendments and discussion, Applicant respectfully submits the instant application is in condition for allowance, and an action to this effect is respectfully requested. Should the Examiner have any questions concerning this response, Applicant requests the Examiner contact the undersigned.

Respectfully submitted,



Carol H. Peters
Registration No. 45,010
MINTZ, LEVIN, COHN, FERRIS
GLOVSKY and POPEO, P.C.
Attorneys for Applicant
One Financial Center
Boston, MA 02111
Telephone: 617/348-4914
Facsimile: 617/542-2241
email: cpeters@mintz.com

Date: July 22, 2008

4384566v.1